

**GRENADIER GUARDS ASSOCIATION
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

GRENADE GUARDS ASSOCIATION

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GRENADIER GUARDS ASSOCIATION

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees

Major General CRV Walker DSO
Lieutenant General Sir George Norton KCVO, CBE
Brigadier D J H Maddan
Captain C A G Bennett
The Rt Hon The Earl of Derby, DL
Colonel R E H Aubrey – Fletcher

**General Secretary
and Treasurer**

Major A J Green

**Registered Charity
Number**

287265

Address

Wellington Barracks
Birdcage Walk
London SW1E 6HQ

Auditors

Saffery Champness LLP
71 Queen Victoria Street
London EC4V 4BE

Solicitors

Wrigleys Solicitors LLP
19 Cookridge Street
Leeds LS2 3AG

Bankers

Lloyds Bank Plc
Cox's & King's
P O Box 1000
Andover
BX1 1LT

**Investment
managers**

Cazenove Capital
Management
12 Moorgate London
EC2R 6DA

GRENADIER GUARDS ASSOCIATION

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2020

The Trustees present their annual report on the affairs of the Association, together with the Accounts and Auditor's Report for the year ended 31 December 2020. The annual report and financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Objects

The objects of the Association are:

- To promote the efficiency of the Grenadier Guards and to maintain its history, traditions and esprit de corps.
- To relieve either generally or individually persons who are serving or who have served in the Regiment and their dependants who are in conditions of need, hardship and distress.

Meetings

Trustees detailed in these accounts have ultimate legal responsibility for the administration of the Association. The running of the charity is delegated to the Executive Committee who meet formally every six months inter alia to make policy, approve budgets and review progress.

Management

The Association Rules and by-laws for Branches were revised in 1983, again in 1999 again in 2014 and again in 2019 being approved at the Annual General Meeting on 23 March 2019. The Charity Commission were made aware of said changes, however, it was not necessary to re-file the amended Rules with The Charity Commission given the changes were deemed to be minor. The recent revision updated Membership, Subscriptions and the Days Pay Scheme. The latter revisions resulted in the appointment of the Regimental Trustees and the President of the Association as Trustees of the Association. An Executive Committee of 18 members is appointed for the management, control and general administration of the Association's affairs. The Association Rules specify that the two Life Vice President members are nominated by the Executive Committee and elected at the General Meeting; they hold office for three years. Other members of the Executive Committee are elected annually at the General Meeting.

The Executive Committee in turn appoints members to the Finance Sub-Committee. These appointments are ratified by the Trustees.

Management of the thirty-one branches of the Association is governed by the by-laws in the governing document.

The day to day running of the Central Fund is administered by the General Secretary and Treasurer, with instructions being issued by the Executive and Finance Sub-Committees.

Policies

In recent years funds have been allocated on a consistent basis to the heads of expenditure detailed in the Statement of Financial Activities on page 10 of these accounts, with a special emphasis on the provision of supplementary allowances, grants at Christmas to those of state retirement age, and individual grants to those members of all ages who are facing hardship and distress. Policy is to allocate expenditure on broadly similar lines in the forthcoming year.

In this connection, the Trustees, recognising the importance of consistent support without undue fluctuation, have a policy of (a) transferring such bequests as they receive to their investment portfolio to produce increased income in future years, and (b) bearing in mind the requirement of each of the branches to hold cash funds for their own local use, reserving up to £200,000. The Trustees are currently holding reserves in excess of that amount.

GRENADIER GUARDS ASSOCIATION

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2020

Cazenove Capital Management are managing the portfolio with a view to maximising the overall return in the longer term. Here follows their most recent commentary for the 12 month period to 31st December 2020:

Valuation. *The value of the Association portfolio was £2,064,407 as at 31st December 2020. This compares with a value of £1,920,138 as at 30th September 2020 and £1,880,613 at 30th June 2020 (the last reported valuations). After distributions of £45,000 over 12 months, the portfolio is up £156,180 over 12 months.*

Income. *The annual requirement from the portfolio is £45,000, which is distributed quarterly.*

Performance. *After a year of turbulent market conditions and the many unknowns the spread of the coronavirus has incited in the market, the portfolio has managed a pleasingly positive return of +8.2% compared to the FTSE All Share's -9.9%.*

Commentary.

It is extraordinary to report that, in spite of the misery caused by the pandemic and the sharpest contraction in economic growth on record, 2020 was actually a good year for many investors. This is not to say it was plain sailing – March saw the sharpest market fall in history – but the recovery was similarly rapid. This has been attributed to the timely intervention of central banks and governments who applied lessons learned from the 2008 crisis.

Against this, we make a couple of observations. Firstly, that while the rally was strong, it was initially led by a very narrow section of the market – principally the large technology names which were ideally placed for a world where everyone had to stay at home. Secondly, there was a notable disconnect between market prices and actual sentiment – while markets rose, surveys suggested that investors were still nervous about the recovery. It was only later in the year, when more positive news came through, that the hardest hit sectors really started to recover.

The first of the positive news was the US election, with Joe Biden securing victory over President Trump. This had been widely forecast but the margins were much narrower than many had assumed. While President Trump was a popular choice among some investors for his pro-business policies, his handling of the pandemic and violence in the wake of the death of George Floyd had drained confidence and, once the results began to filter out, Wall Street seemed relieved to see a steadier pair of hands in the White House. The recent news that the Democrats have secured the Senate via the Georgia run-off elections has further enthused markets.

Shortly after the US election, news came through of successful Pfizer, Moderna and Oxford University / AstraZeneca vaccination trials. Inevitably stock markets reacted very positively with leisure, tourism, financials and travel companies all seeing sharp share price recoveries.

Finally, Christmas Eve saw Boris Johnson secure a trade deal between the UK and the EU. Initial reports suggest the deal looks skinny, not least in its coverage of the service sector. We will have to wait before being in a position to assess the longer-term impact. In any case, it was a relief to draw some kind of line under it and now British business can focus on adjusting to life outside the EU.

Looking forward, the western world is still in fragile existence. We sit here in the UK facing up to worsening infection rates and the possibility of lockdown well into 2021. The US is facing its own well documented social and political problems with the handover of power to Joe Biden. Further afield however, Asia and in particular China, seems to have weathered the storm and come out the other side in a strong position. Amazingly China look set to report economic growth close to 5% for 2020. There is therefore hope that a smooth roll-out of the vaccine here in the West can stimulate a strong recovery.

What does this mean for portfolios? Firstly we are optimistic that an economic recovery will come over the next 12 to 18 months. With interest rates at record lows, this should continue to provide a positive backdrop for equities. We are mindful however of valuations with much of the good news increasingly looking priced in.

GRENADIER GUARDS ASSOCIATION

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2020

In 2020 we saw the market led by a small concentration of sectors / stocks – in particular technology. We have not lost conviction but are mindful of valuations and expect the recovery to broaden out, presenting opportunities in areas which still have ground to make up after a challenging year. With this in mind, we have rotated the portfolio into more economically sensitive areas of the market.

There remain plenty of risks and a lot of hope is pinned on a successful vaccine roll-out. Any disappointments to that may well have a negative impact on confidence and company earnings and therefore we remain very happy to maintain allocations to defensive assets including gold, government bonds and cash. These continue to provide portfolios with insurance in the event of further economic deterioration.

Risk management

The Trustees have assessed the major risks to which the Association is exposed, in particular those related to the operation and finance of the Association, and are satisfied that appropriate action has been taken, and systems established, to mitigate the exposure to the major risks.

The key risks facing the charity are falling investment income, donations and legacies, the latter two are of course, completely out of our control, however, with the assistance of Cazenove's active portfolio management it is hoped that investment income can be sustained with any short-term falls being recovered in later periods.

Review of activities

2020 was a year in which the activities of the Association as a whole were greatly affected by the Coronavirus pandemic. Our staff at Regimental Headquarters were able to maintain satisfactory levels of support mixing office and home working in line with Government guidelines. Effective links were maintained with the Army Benevolent Fund, Royal British Legion and Soldiers, Sailors, Airman's Families Association enabling the provision of welfare assistance to 61 Grenadiers, either serving or retired.

At Branch level after a sure and familiar start, the level of social group and individual activity was reduced to next to nothing in comparison to previous years with lunches, dinners, outings and visits across the country being cancelled. Branches worked hard to maintain contact with their members and monitor their welfare by all other means possible especially online, by phone and with newsletters. Given the practical challenges posed by the pandemic, there were a commendable number of instances of Branches working on their own initiative to make welfare interventions on behalf of retired Grenadiers identified in the Branch area as having fallen on hard times.

Our two large centrally organised events, Regimental Remembrance Day (RRD) planned for May and Grenadier Day (our Regimental families' open day) for July were both cancelled. RRD was however marked with a recorded wreath laying at the Guards Memorial, readings and prayers and was made available online.

The Finance and Executive Committees met twice in the year in person or online and the Minutes of a virtual AGM were published in March. Our President reported to the Regimental Trustees and Regimental Council on two occasions. The new Regimental website is now available online, working well and has drawn much favourable comment.

A total of £39,958 was provided from Headquarters funds for the benefit of members during 2020 in the form of supplementary allowances, grants at Christmas to those of state retirement age and individual grants to those members of all ages who faced hardship and distress.

There are no projects for which guarantees have been given, and grants are only provided when funds are available. There are no unfulfilled obligations. The Trustees have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission in exercising their powers or duties.

GRENADIER GUARDS ASSOCIATION

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 DECEMBER 2020

The Trustees take their responsibility under the Charities (Protection and Social Investment) Act 2016 seriously and have considered the implications on their activities. The charity does not undertake any direct forms of voluntary fundraising from the general public. The charity has received no complaints in relation to fundraising.

Future Plans

The future plans of the Association remain to maintain and support, for as long as practicable, our Branch structure in line with our Objects. We continue where possible to enhance the support we consider appropriate to our Virtual Groups.

RRD for 2021 has again been cancelled as has Grenadier Day, which was planned for 4th July at Aldershot with the 1st Battalion. We very much look forward to the resumption of more normal levels of Branch activity when the situation allows.

The Battlefield Tour to France and Holland planned for later in 2021 has now been postponed until Sept'22.

The Association's expenditure exceeded income in the year ended 31 December 2020 by £3,802. Donations and subscriptions receivable decreased by £42,423. Investment income for the year was £28,777, a decrease of £8,737 compared with 2019 (£1,580). Expenditure on welfare grants decreased by £19,792. The Trustees continue to keep these matters under review.

The reason for the year on year drop in income of £67,447 is in the main due to a reduction in Donations and subscriptions of £42,423, a reduction in Shop Sales of £11,947 and reduced Investment income of £8,737.

Trustees' Responsibilities Statement

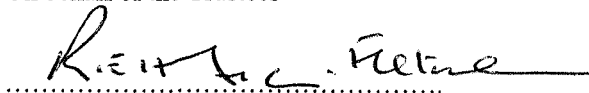
The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and UK Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

On behalf of the Trustees



Colonel R E H Aubrey - Fletcher

Trustee

14 April 2021

GRENADIER GUARDS ASSOCIATION

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2020

Opinion

We have audited the financial statements of Grenadier Guards Association for the year ended 31 December 2020 which comprise the Statement of Financial Activities, the Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2020 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact.

We have nothing to report in this regard.

GRENADIER GUARDS ASSOCIATION

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2020

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements; or
- the charity has not kept sufficient accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement set out on page 6, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

We have been appointed as auditors under the Charities Act 2011 and report in accordance with regulations made under that Act.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud are detailed below.

Identifying and assessing risks related to irregularities:

We assessed the susceptibility of the charity's financial statements to material misstatement and how fraud might occur, including through discussions with the trustees and general secretary, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the charity by discussions with the general secretary and updating our understanding of the sector in which the charity operates.

Laws and regulations of direct significance in the context of the charity include the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008 and guidance issued by the Charity Commission for England and Wales.

GRENADIER GUARDS ASSOCIATION

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2020

Audit response to risks identified:

We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of financial statement disclosures. We reviewed the charity's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities to identify potential material misstatements arising. We discussed the charity's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.


During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of any actual, suspected or alleged fraud. We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in making accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the engagement partner's review included ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the trustees those matters we are required to state to them in an auditors report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the trustees as a body, for our audit work, for this report, or for the opinions we have formed.


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Saffery Champness LLP
Chartered Accountants
Statutory Auditors
Date: 18 June 2021

71 Queen Victoria Street
London
EC4V 4BE

Saffery Champness LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

GRENADIER GUARDS ASSOCIATION

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2020

Unrestricted funds	Note	2020 £	2019 £
Income from:			
Donations and subscriptions		81,460	123,883
Legacies		600	4,440
Investment income		28,777	37,514
Sales of goods		22,326	34,273
Other income		-	500
Total income		133,163	200,610
Expenditure on:			
Raising funds	2	32,131	40,802
Charitable activities	3	104,834	186,787
Total expenditure		(136,965)	(227,589)
Net (expenditure)/income for the year before investment gains/(losses)		(3,802)	(26,979)
Other recognised gains and losses			
Net gains/(losses) on investments		141,287	268,509
Net movement in funds		137,485	241,530
Balances brought forward		2,347,213	2,105,683
Balances carried forward		2,484,698	2,347,213

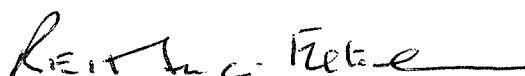
The notes on pages 12 to 16 form part of these accounts.

GRENADIER GUARDS ASSOCIATION

BALANCE SHEET AS AT 31 DECEMBER 2020

	Note	£	2020	£	£	2019	£
Fixed assets							
Tangible assets	4		3,940			2,712	
Investments	5		2,071,706			1,960,580	
			<u>2,075,646</u>			<u>1,963,292</u>	
Current assets							
Stocks		36,270		37,977			
Debtors		2,905		1,000			
Cash at bank and in hand		387,208		362,312			
		<u>426,383</u>		<u>401,289</u>			
Current liabilities							
Creditors	6	(17,331)		(17,368)			
Net current assets			<u>409,052</u>			<u>383,921</u>	
Total assets less current liabilities			<u>2,484,698</u>			<u>2,347,213</u>	
Funds							
Unrestricted			<u>2,484,698</u>			<u>2,347,213</u>	

Approved by the Trustees on 14 April 2021



Colonel R E H Aubrey - Fletcher
Trustee

The notes on pages 12 to 16 form part of these accounts.

GRENADIER GUARDS ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

1.1 Accounting convention

The accounts (financial statements) have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011 and UK Generally Accepted Accounting Practice.

The accounts (financial statements) have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The Charity constitutes a public benefit entity as defined by FRS102.

The financial statements are prepared in sterling, which is the functional currency of the Charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, with the exception of the investments which are held at fair value.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. Thus, the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life as follows:

- Office and display equipment – 20% per annum on cost

1.4 Investments

Investments are stated at market value. Income thereon together with related recoverable tax credits are taken into account as and when dividends and interest become receivable.

1.5 Stocks

Stock is valued at the lower of cost and net realisable value and represent goods held for sale by the charity.

GRENADIER GUARDS ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1.6 Income

Income is recognised in the period in which the charity is entitled to receipt, it is more likely than not that economic benefit will pass to the charity and the amount can be measured with reasonable certainty.

1.6.1 Legacies

Legacies are accounted for at the earlier of receipt of the legacy or the point at which the amount to be received from the estate has been notified to the charity. In the event that legacies are settled after the accounting year end they are included in the accounts provided that probate has been granted and that the charity was certain of the amounts to be distributed.

1.7 Expenditure

All expenditure is included on an accruals basis and is recognised when there is a legal or constructive obligation to pay for expenditure. Overheads are all treated as support costs.

Grants payable are payments made to third parties in the furtherance of the charitable objectives of the Association. Provisions for grants are made when the intention to make a grant has been communicated to the recipient. The Charity had no employees during the year.

1.8 Funds

All funds of the Charity are unrestricted. Unrestricted funds comprise of the accumulated surpluses and deficits of unrestricted incoming revenues over resources expended, which are available for use in furtherance of the general objectives of the charity.

1.9 Financial instruments

The charity has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are recognised initially in the accounts at transaction price, including any transaction costs. At the end of each accounting period, basic financial instruments are recognised at amortised cost. For debt instruments this is calculated using the effective interest rate method.

1.10 Critical estimate and judgements and key sources of estimation uncertainty

In the application of the Charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

There were no significant estimates or areas of judgement.

GRENADIER GUARDS ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

2 Cost of raising funds

	2020 £	2019 £
Cost of goods sold	18,501	27,294
Investment management fees	13,630	13,508
	<u>32,131</u>	<u>40,802</u>

3 Charitable activities

	2020 £	2019 £
Welfare grants	56,545	76,337
Association events	5,359	52,954
Support costs	42,930	57,496
	<u>104,834</u>	<u>186,787</u>

Auditor's remuneration

The auditor's remuneration constituted an audit fee of £6,030 (2019: £6,210).

4 Tangible fixed assets

	Office & display equipment £
Cost	
At 1 January 2020	10,266
Additions	2,235
At 31 December 2020	<u>12,501</u>
Depreciation	
At 1 January 2020	7,554
Charge for the year	1,007
At 31 December 2020	<u>8,561</u>
Net book value	
At 31 December 2020	<u>3,940</u>
At 31 December 2019	<u>2,712</u>

GRENADIER GUARDS ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

5 Fixed assets investments

	2020		2019	
	£		£	
Market value				
At 1 January 2020			1,960,580	1,713,350
Additions			568,595	355,601
Disposals			(598,756)	(376,880)
Net investment gains/(losses)			141,287	268,509
At 31 December 2020			<u>2,071,706</u>	<u>1,960,580</u>
	2020		2019	
	Cost	Market value	Cost	Market value
	£	£	£	£
Fixed Interest				
United Kingdom	227,412	246,282	216,477	228,128
Equities				
United Kingdom	223,309	242,122	301,200	353,416
North America	272,611	400,838	303,175	427,773
Continental Europe	47,728	61,125	41,744	49,256
Far East	99,641	132,567	99,641	107,756
Emerging Markets	153,076	209,874	120,027	124,012
Global	241,036	293,458	70,342	98,351
Portfolio Funds				
Portfolio Funds	-	-	52,646	73,047
Hedge Funds				
Other International	394,288	422,182	361,906	406,808
Cash				
United Kingdom	55,959	55,959	84,755	84,755
Other investments	7,299	7,299	7,278	7,278
Total	<u>1,722,359</u>	<u>2,071,706</u>	<u>1,659,191</u>	<u>1,960,580</u>

GRENADIER GUARDS ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

6 Creditors

	2020	2019
	£	£
Accruals	17,331	17,368

7 Transactions with trustees and related party transactions

No Trustee received any remuneration from the charity during the year for the role as a Trustee. Travel expenses of £Nil were reimbursed to Nil trustees during the year (2019: £2,491 to 1 trustee).

The charity had no other related party transactions in the period.

GRENADIER GUARDS ASSOCIATION

DETAILED INCOME - UNAUDITED FOR THE YEAR ENDED 31 DECEMBER 2020

	2020		2019	
	£	£	£	£
Non-investment income				
Sales of Association goods	22,326		34,273	
Other Income	-		500	
		<u>22,326</u>		<u>34,773</u>
Income from investments				
Investment income gross	28,669		37,365	
Deposit interest	108		149	
	<u>28,669</u>	<u>28,777</u>	<u>37,365</u>	<u>37,514</u>
Donations and subscriptions				
Welfare grants from regimental funds	50,004		51,721	
Covenants and gift aid	3,271		5,143	
Refund of tax on donations	818		1,003	
Non-covenanted or gift aid donations	11,785		15,520	
Subscriptions	1,320		715	
Christmas draw	10,122		22,029	
Christmas gifts	295		5,365	
Branch events	3,845		22,387	
Recurring	<u>81,460</u>		<u>123,883</u>	
Legacies	600		4,440	
Non-recurring	<u>600</u>		<u>4,440</u>	
		<u>82,060</u>		<u>128,323</u>
Total income		<u>133,163</u>		<u>200,610</u>
Recurring income		132,563		196,170
Non-recurring income		600		4,440
		<u>133,163</u>		<u>200,610</u>

This page does not form part of the financial statements on which the auditors have reported.

GRENADIER GUARDS ASSOCIATION

DETAILED EXPENDITURE - UNAUDITED FOR THE YEAR ENDED 31 DECEMBER 2020

	2020		2019	
	£	£	£	£
Cost of raising funds				
Costs of goods sold	18,501		27,294	
Investment management fees	13,630		13,508	
		32,131		40,802
Charitable activities				
Grants and donations:				
Charitable allowances paid	5,620		12,133	
Christmas gifts	5,950		11,686	
Welfare grants	35,641		37,723	
Welfare expenses	1,753		3,472	
	48,964		65,014	
Donations, wreaths and crosses	7,581		11,323	
		56,545		76,337
Association events:				
Grenadier Day expenses	791		5,498	
Regimental Remembrance Day	-		5,292	
Branch dinners official expenses	-		1,472	
Annual dinner and dance	-		23,800	
Presentations	135		105	
Other	4,433		16,787	
		5,359		52,954
Carried forward		94,035		170,093

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GRENADIER GUARDS ASSOCIATION

DETAILED EXPENDITURE - UNAUDITED FOR THE YEAR ENDED 31 DECEMBER 2020

	2020		2019	
	£	£	£	£
Brought forward		94,035		170,093
Other expenditure				
Support costs:				
AGM, Finance and Central Committee	1,804		8,216	
General administrative costs in				
Branches	608		1,132	
Honoraria, pension and travelling	13,029		16,874	
Insurance	824		824	
Repairs, renewals and maintenance	867		1,633	
Postage	2,187		2,819	
Printing, stationery and office expenses	9,770		9,447	
Legal costs	-		649	
Audit and accountancy	12,464		12,942	
Bank charges	370		379	
Depreciation of fixed assets	1,007		2,581	
		42,930		57,496
Total recurring expenditure		136,965		227,589

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